

# Covid-19 Advice for Community Buildings

**As the true impact of the Coronavirus hits our communities, charity trustees are under a great deal of pressure. It is very difficult for trustees to know how best to survive this crisis in the short term and know what they can do to ensure their charity survives and can reopen to the public when the situation improves.**

**In this guide will be look at what trustees still need to do to remain compliant with their charity registration and what steps they can take to protect their charities, look after staff and pay essential bills.**

## **What you can do now**

During this crisis, it remains the responsibility of trustees to protect a charities resources as much as possible.

Many organisations have seen their income level drop to zero and are unsure how they will continue to pay essential bills, such as staff costs, rent, utilities and insurance etc.

Firstly, it's important to know what those costs are. It's likely that some could be less than normal e.g. the cost of utilities could be reduced if your building is closed. Other costs could be supported through grants and other support packages which are currently being devised.

Producing a budget for the next few months, to identify your essential expenditure, is the best way to understand your current financial situation. To help manage your finances, UNW (an independent firm of chartered accountants based in Newcastle) have provided a free to download 12 week cash flow forecast [here](#)

Trustees will need to reprioritise spending and look at what resources are available to cover essential bills, for instance:

### Do you have reserves?

If you have reserves or a 'rainy day fund', now is the time to put it to good use as this will be unrestricted funding so can be used to cover essential bills.

Within your new budget, establish what costs you can cover using reserves to help protect your organisation and for how long.

Some financial support will be available for organisations in the form of grants and loans to cover specific costs including staff salaries, but these will be subject to strict eligibility criteria.

### Do you have grant funding for projects and activities?

If you are in receipt of grant funding, we would advise speaking with your funders. Whilst this is restricted funding (has a specific use) it may be possible to amend the restrictions and make use of the funding to support ongoing essential costs. This would be the decision of the funder so is not a guarantee.



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## Paying Staff

Paying staff will be a huge concern for many. The government has announced a scheme which will allow employers to claim up to 80% of a staff members salary from HMRC to help prevent unnecessary redundancies. Some of the key points about the scheme are listed below:



### HMRC Job Retention Scheme:

- The scheme is available to all UK employers
- Furloughed staff are those workers who are kept on the payroll instead of dismissing them as redundant or putting them on unpaid leave
- HMRC will reimburse 80% of furloughed workers' wage costs, capped at £2,500 per month.
- Employers can choose to pay at a higher rate than the reimbursed figures.

New information is emerging regularly, so to ensure you keep up date with the latest developments follow the link below to the government's website [here](#):

## Charity Commission

Trustees are still expected to meet the requirements of their charity registration, even while their charity is not operational. The charity commission is providing guidance on key points to ensure you remain compliant:

- If you need to postpone your AGM the decision to do this needs to be properly recorded. If this means that annual returns and accounts can't be finalised and submitted on time, then trustees should call the Charity Commission.
- If governing documents don't allow for virtual meetings but trustees have decided that they need to hold them, record the decision.
- The rules around reporting significant incidents haven't changed and significant loss of income is a reportable incident. There is more information about this [here](#) from Bates Wells (a leading group of dedicated charity lawyers).
- If you are carrying out activities in response to the Covid-19 crisis, it is important to ensure you act within the existing purpose of your charity.

Further guidance from the charity commission can be found [here](#)

## Further Support Available

Our friendly staff at Durham Community Action are currently remotely working from home but we are still here to provide information, advice and guidance so don't hesitate to get in touch

Email: [info@durhamcommunityaction.org.uk](mailto:info@durhamcommunityaction.org.uk)

Website: [www.durhamcommunityaction.org.uk](http://www.durhamcommunityaction.org.uk)

